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COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUC000035

**Ex Parte: In the matter of third-party
testing of Operation Support Systems
for Bell Atlantic-Virginia, Inc.**

**Project Leader Ruling Seeking Comments On
Verizon's Requested Modification To The Master Test Plan**

October 2, 2000

On February 17, 2000, the Commission established this proceeding to conduct third-party testing of the operation support systems ("OSS") for Bell Atlantic-Virginia, Inc., now Verizon-Virginia Inc. ("Verizon"). Pursuant to the Commission's directives, on May 31, 2000, the Project Leader adopted a Master Test Plan. Nonetheless, at Verizon's request, testing has been delayed awaiting implementation of Verizon's new billing system.

On September 29, 2000, Verizon requested a modification to the Master Test Plan. In its request, Verizon proposes "to remove from the Virginia test a number of low or declining volume products that were not included in the successful Texas test."¹ It is anticipated that with the requested modification to the Master Test Plan, testing could begin on or about the first of November 2000.

Consequently, this ruling seeks comments from interested persons concerning Verizon's requested modification to the Master Test Plan. Persons that disagree with Verizon's assessment of demand for the products it seeks to eliminate are asked to provide alternative actual or forecasted demand.

This ruling and a copy Verizon's requested modification to the Master Test Plan will be mailed and e-mailed to all parties that have indicated an interest in participating in Case No. PUC000035. The names of these persons and their e-mail addresses are included on the attached service list. For those persons who wish to review Verizon's requested modification and have not expressed an interest in participating in this case, a copy of this ruling and Verizon's requested modification will be made available on the Commission's website at www.state.va.us/scc/division/puc/oss.htm. Copies may also be obtained directly from the Commission's Project Leader, Alexander Skirpan (804-371-9082). Accordingly,

IT IS DIRECTED that interested persons may file any comments on Verizon's requested modification to the Master Test Plan with the Clerk of the Commission in writing, in an original and one (1) copy, within fifteen days from the date hereof. The mailing address to which any such filing must be sent is Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments should reference Case No. PUC000035. Interested persons also may

¹ See, attached letter at 2, dated September 29, 2000, requesting a Modification to the Master Test Plan.

file an electronic copy of their comments with the Commission's Project Leader, via e-mail, at askirpan@scc.state.va.us. Any interested person filing comments shall attach a certificate to the foot of such document certifying that copies have been mailed, delivered, or sent via e-mail to all other interested persons listed below.

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Hearing Examiner/Project Leader

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29 September 2000

Mr. Alexander F. Skirpan, Jr.
Project Leader
Virginia State Corporation Commission
11th Floor, Tyler Building
1300 E. Main Street
Richmond, Virginia 23219

Dear Mr. Skirpan:

Re: PUC000035 – Modification to the Master Test Plan

Verizon Virginia Inc. respectfully requests a change to the Master Test Plan (MTP) adopted on May 31, 2000. In light of information that has become available since the adoption of the plan, Verizon believes the product list ordered in the MTP should be modified to remove products that no longer need to be tested. Specifically, the FCC approval of the Texas SBC application and additional information on market demand provide an opportunity for a fresh look at the product list for the third-party OSS test in Virginia.

Virginia will be the fifth third-party KPMG test Verizon has undertaken. The New York test – and other Verizon tests started while the New York process was underway – by design covered an expansive list of products. In order to avoid any possibility of being under-inclusive, we tested every product available, whether there was any significant demand for that product or not. Based on current information and experience, we believe this was unnecessary in some cases and caused earlier Verizon tests to take longer – and cost more for everyone involved – than they should have.

On June 30, 2000, the FCC approved SBC's 271 application for Texas. The Texas third-party test, conducted by Telcordia, covered fewer products than the New York KPMG test and now provides a second benchmark for future tests.

Verizon proposes to remove from the Virginia test a number of low or declining volume products that were not included in the successful Texas test. A list of these products and their market demand is attached. In general they fall into four categories:

- ISDN products
- xDSL resale products
- Digital handoff/DSL products
- Business Centrex UNE-P

First, the ISDN products are quickly being overtaken in the marketplace by xDSL products. While Verizon does have some embedded customers for both resale and UNE loop ISDN products, we do not expect the embedded base to continue to grow significantly. By comparison to ISDN, the ADSL loop product line that will be tested by KPMG has nearly three times the in-service volume of ISDN and is growing at rate of almost 500% higher than the comparable ISDN growth rate. Not only will the growth of new ISDN loops slow, we expect CLECs will begin to migrate the embedded base to xDSL. Clearly, the new xDSL products are the technology of the future and should be included in the third-party test, not the ISDN technology. The ISDN products were not tested by Telcordia in Texas.

Second, the xDSL products should be tested to determine whether Verizon can provide the underlying UNEs, but not as resale products. In its approval order for the Bell Atlantic/GTE merger, the FCC required Verizon to move its retail xDSL services into a separate data affiliate. Since the incumbent LEC, Verizon Virginia, will no longer offer retail xDSL services, it will also stop offering resale of those retail products to CLECs. The separate data affiliate, which we expect to be a combination of the data CLEC Northpoint and Verizon Advanced Data – Virginia, will operate like any other data CLEC and buy UNE loops from the ILEC to provision its service. Thus, the testing of xDSL capable loops is important and should remain in the test, but resale should be removed as it will no longer be a Verizon Virginia offering. Resale xDSL was not tested in Texas.

Third, the digital handoff products currently have no demand in Virginia, and we expect there to be no significant demand in the future. This is a good example of a theoretical product that could be offered, but there is no real marketplace demand. Testing these products would provide no competitive benefit; it would only extend the time and increase the cost of the test. These products were not tested in Texas.

Finally, Business Centrex UNE-P should be removed from the test. Centrex has appreciable demand as a resold product and should be tested as such, but Verizon anticipates little or no demand for this product in the UNE-P configuration. To date Verizon, has no request to provision Centrex UNE-P services in Virginia and in general this product has had very little demand in other states. For this reason, Verizon recommends that no testing be required of this UNE-P product. This is consistent with the Texas test.

We appreciate the Commission's efforts in managing the KPMG testing process. We believe that our proposal will support the Commission's efforts by helping to ensure a quality test performed in an efficient manner. We request that the MTP be modified to reflect this proposal on an expedited basis so the testing process can proceed promptly.

As always, I stand ready to assist at your request.

Sincerely,

Attachment

Proposed Products to Eliminate
From the VA OSS Test

Product Family	Product Offering	Product Offering Element	July 00 In-service Count
Resale	Residence	ISDN BRI	3*
Resale	Business	ISDN BRI	688*
Resale	Business	ISDN PRI	407*
Resale	Residence	ADSL	2
Resale	Business	ADSL	2
Resale	Business	Dig. Handoff/DS1	0
UNE Loop		ISDN	2500
UNE Loop EEL M-Loop		ISDN	0
UNE Loop		HDSL	11
UNE P	Residence	ISDN BRI	0
UNE P	Business	ISDN BRI	0
UNE P	Business	ISDN PRI	0
UNE P	Business	Centrex	0
UNE P	Business	Dig. Handoff/DS1	0

* Lines